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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 1, 2011

CERTIFIED RETURN RECEIPT
7005 2570 0000 4801 6263

Lyle Jessop
Hawk Eye LLC
P.O. Box 1459
Hilldale, Utah 84784-1459

Subject: Tentative Surety Payment Schedule, Hawk Eye LLC, Multicolored Green,
S/027/0116, Millard County, Utah

Dear Mr. Jessop:

Thank you for submitting the first installment of \$1,000.00 towards your reclamation surety for the proposed one-acre disturbance at the Multicolored Green mine (S/027/0116). The Division will deposit this and future surety installments towards your required bond of \$7,400.00 into an interest-earning account.

Attached is the proposed surety payment schedule as discussed over the phone with Penny Berry (bond coordinator) and Peter Brinton (lead inspector). We want to remind you that you have no contractual obligation with the Division to meet this payment schedule. It has been arranged strictly to facilitate the full surety payment required before the permit can be issued to you. The operator at this site is Dale Rogers who is responsible for all obligations, including reclamation, until it is either reclaimed or permitted, including bonding, to another entity.

Additional information is still needed to complete the Notice of Intention to Commence Small Mining Operations (NOI), including a re-submitted NOI form and two maps. We have provided specific instructions to direct you through this process in a letter dated November 30, 2010, and also by email on January 26, 2011.

As discussed in your recent phone calls with Peter Brinton, the annual permit fee of \$150.00 is also required prior to issuing the permit and should be submitted with your revised NOI. Once the full surety amount of \$7,400.00, the annual fees, and the necessary permit information have been provided, we will ask you to sign a reclamation contract requiring post-mining reclamation of your future operation. Once this document is signed, you will be authorized to begin mining operations. The surety amount shown is for a disturbed area of one acre.

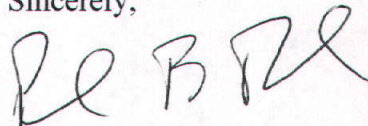


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Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at bondcoordinator@utah.gov if you have any additional questions about this schedule or other surety matters.

Thank you for your willingness to discuss your surety requirements with us. If you have any questions concerning this letter, please contact Peter Brinton at 801-538-5258 or me at 801-538-5261.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Mining Program Manager

PBB:pnb:pb

Attachment: Payment Schedule for Hawk Eye LLC

P:\GROUPS\MINERALS\WP\M027-Millard\S0270116-MultiColoredGreen\final\ltr-payments-01312011.docx

Payment Schedule for Hawk Eye LLC

S/027/0116

Table X

Authorized Signature and Date Payment Received	Number	Due Date (by)	Payment Amount	Additional Pmt.	Total Received
<i>Penny Berry 1/20/2011</i> <i>Check # 675860</i>	1	January 20, 2011	\$1,000.00		\$1,000.00
	2	February 20, 2011	\$800.00		\$0
	3	March 20, 2011	\$800.00		\$0
	4	April 20, 2011	\$800.00		\$0
	5	May 20, 2011	\$800.00		\$0
	6	June 20, 2011	\$800.00		\$0
	7	July 20, 2011	\$800.00		\$0
		August 20, 2011	\$800.00	\$0	\$
		September 20, 2011	\$800.00		

Total amount required for one acre of disturbance: \$7400.00

I agree to the amounts identified in this payment schedule as shown on Table X and will abide by the payment criteria. I understand all mine sites must be adequately bonded. The Division will hold the payments in escrow until the Notice of Intention to Commence Small Mining Operations is complete, the total surety amount has been submitted, and

there is one acre of disturbance.

Operator _____
Signature

Date _____

Agreed and Approved by Division:

Division Director _____
Signature

Date _____

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